



THE WHITE HOUSE
WASHINGTON

January 11, 1963

DC/USE

NSC REVIEW
COMPLETED,
06/26/2003

MEMORANDUM TO

The Secretary of State
The Secretary of Defense
The Attorney General

A number of departments and agencies have requested information as to the full position of the Executive Branch with respect to the recent Cuban prisoner exchange. The attached memorandum has been approved for guidance in this connection, and it is requested that all inquiries and mail be answered promptly in accordance with this instruction.

McGeorge Bundy

McGeorge Bundy

Enclosure

2-page memorandum--For Official Use Only

Information copy to:

Director of Central Intelligence ✓
The Secretary of Agriculture
The Secretary of Health, Education and Welfare

THE WHITE HOUSE

WASHINGTON

FOR OFFICIAL USE ONLY

January 11, 1963

The Position of the Executive Branch
on the Recent Cuban Prisoner Exchange

(Information guidance for use in response to inquiries)

1. The position of the U. S. Government toward the prisoner exchange has been fully and currently reported in the press, except during the period in which there was a hazard that publicity might endanger the safety of the prisoners. Attention can be called to the extensive and generally accurate reports printed immediately after the exchange in the Washington Evening Star of December 24th, the Washington Post of December 25, and the New York Times News Service of December 26th.

2. The basic responsibility for negotiations and for the exchange as a whole was private, resting in the Cuban Families Committee, the citizens' committee under General Clay, and Mr. James B. Donovan, lawyer for the Cuban Families Committee.

3. The President of the United States made clear that he was sympathetic to the efforts of these committees. An example of the President's position is to be found in his press conference statement of Wednesday, December 12th, in which he said that this matter "is being handled by a private committee composed of the families of the prisoners, and a committee of which General Lucius Clay and others are members, and I am very sympathetic to their efforts."

4. In support of this position, the United States Government took the following actions:

a. It provided prompt advice in connection with tax rulings and other applications of government statutes and regulations.

b. It made clear to those who might be able to help the sympathetic interest of the Executive Branch.

c. It provided the time and energy of a number of officials in the course of the intense negotiations which preceded the successful exchange.

FOR OFFICIAL USE ONLY

page 1 of 2 pages

FOR OFFICIAL USE ONLY

-2-

January 11, 1963

4. (cont'd)

d. It authorized a commitment of dried milk from the surplus stocks of the Department of Agriculture in the terms described in paragraph 7 below.

5. It should be emphasized that there were a number of things which the Government did not do, as follows:

a. No Government funds were used in the project, save for minor administrative costs such as telephones and some salary and overtime expense. Even these costs may be largely recovered.

b. No unvouchered funds have been used at any time.

c. No tax rulings were issued to contributing companies which were not clearly authorized or required by law or governing court decisions.

6. Almost all the products pledged are items that are currently permitted to be shipped from the United States to Cuba under general licenses -- i. e., without individual validated licenses -- under existing export control regulations. Some items involved in the prisoner exchange do require individual licenses -- chiefly foodstuffs, medicinals, pesticides for household and agricultural purposes, and medical equipment, which would help to fill an evident need of the Cuban people, but not otherwise aid the Cuban economy. However, offers of insecticides valued at approximately \$2 million and suitable for use on sugar crops -- Cuba's primary export commodity -- have been rejected even though Cuba does not use insecticides on its sugar crops.

7. The United States Government has provided five million pounds of non-fat dried milk solids through the American Red Cross. Representatives of the American Red Cross and the Cuban Red Cross will supervise distribution of the milk in Cuba to insure that it will reach children and other needy persons. The Red Cross has indicated that the Cuban Families Committee expects to raise funds to reimburse the Department. Further supplies of dried milk may be requested by the American Red Cross if baby food cannot be obtained from other sources, and the Department of Agriculture is prepared to make additional quantities available on such request. The terms of the Department's action were described in a USDA release on January 8, 1963, which can be used in responding to inquiries.

FOR OFFICIAL USE ONLY

page 2 of 2 pages

(CLASSIFICATION)

ER

ER 61-356

CENTRAL INTELLIGENCE AGENCY

EXECUTIVE MEMORANDUM

OFFICE OF THE DIRECTOR

EXECUTIVE MEMORANDUM No. 82

15 January 1963

DATE _____

MEMORANDUM FOR:

DEPUTY DIRECTOR (PLANS)
DEPUTY DIRECTOR (INTELLIGENCE)
DEPUTY DIRECTOR (RESEARCH)

~~DEPUTY DIRECTOR (OPERATIONS)~~

~~DEPUTY DIRECTOR (INFORMATION)~~

~~DEPUTY DIRECTOR (GENERAL INVESTIGATIVE)~~

GENERAL COUNSEL

~~ASSISTANT DIRECTOR~~

~~ASSISTANT DIRECTOR (INTELLIGENCE)~~

DCI *all*

DDCI

Col. Grogan

ExDir:LBK:drm

Distribution:

Addressees listed above

1 - ER

1 - ExDir

This memorandum contains information for the addressees. Addressees may give this memorandum additional circulation within their components as required. All copies should be **destroyed** not filed, upon completion of circulation. A master file will be kept in the Executive Director's Office and will be available upon request.

(CLASSIFICATION)